

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Secret

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21 January 1969

No. 0018/69 21 January 1969

Central Intelligence Bulletin

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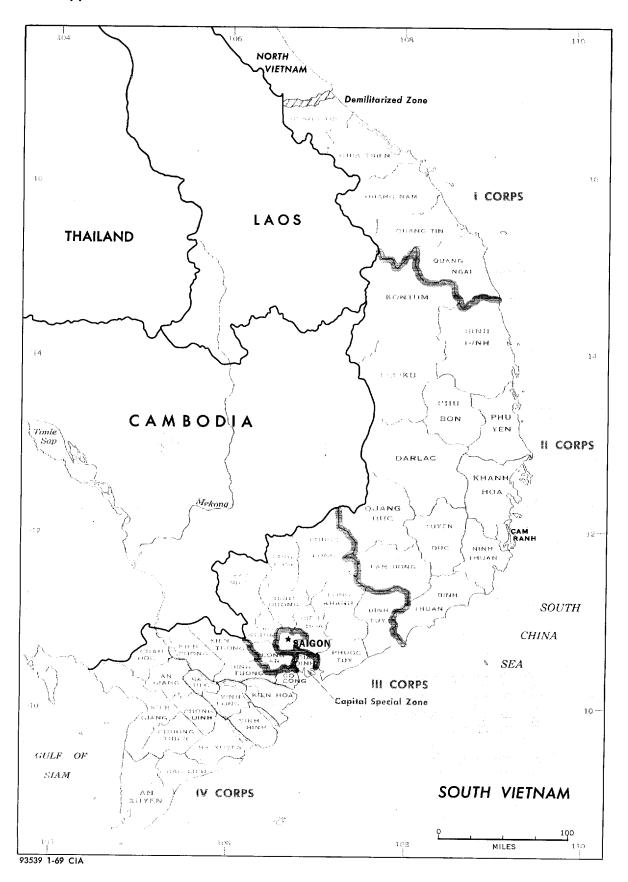
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Vietnam: Ground action picked up sharply over the weekend as the Communists mounted a series of mortar and rocket attacks and ground probes in widely separated areas.

First reports indicate that 27 US and 116 South Vietnamese soldiers were killed in the fighting. At least six South Vietnamese civilians were killed and 64 were wounded in terrorist incidents. Although the Communists did not commit any large main force units in major ground assaults, reported enemy losses now stand at more than 600 dead--many of them to allied air strikes and artillery counterfire.

Numerous reports have indicated that the Communists would step up their attacks in late January. This activity is doubtless intended to project an image of Communist strength as the new US administration takes office in Washington and the expanded peace talks get under way in Paris. 25X1 the enemy intends to follow up the current offensive phase with a major push against Saigon and other key cities. No major changes in the disposition of enemy main force units have been noted northwest of Saigon, however, and the Communists do not appear to be in a position to launch a major thrust against the city. (Map) 25X1

Czechoslovakia: The Dubcek leadership is on the brink of its greatest crisis since the Soviet occupation.

President Ludvik Svoboda, who last night announced to the nation that a second Czechoslovak youth had set himself ablaze, made an impassioned plea to all Czechoslovaks to refrain from further self-destructive acts and public demonstrations. Svoboda indicated that such disorders could degenerate into riots which might claim "thousands of innocent lives" and bring down the entire Dubcek leadership in the process. His remarks suggest that the Soviets are running out of patience with Dubcek's reluctance to take the necessary steps to maintain order and to use force to squelch anti-Soviet protests and marches.

Student demonstrations in Prague between 18-20 January ended a period of relative calm in Czechoslovakia. Thousands of disaffected youths yesterday marched in the streets in memory of Jan Paluch, a 21-year-old student whose self-immolation has aroused the entire population. Paluch was protesting censorship and the continued existence of an illegal pro-Soviet publication, but his "martyrdom" has sparked other protests and expanded the list of grievances.

In attempting to assess Paluch's motives, the US Embassy in Prague has indicated that a document purported to be a party presidium directive on new censorship provisions, dated 7 January, was circulated in Prague. According to the 18-point statement, the party intended to establish firm control over the Czechoslovak news agency, radio and television by forcing them to adhere to the party line and by making sure that the "right people" are appointed to top positions in the mass media.

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In terms reminiscent of former hardline party boss Novotny, the document also recommends that a new press law minimize the possibility that publications and individual journalists will be able to use legal means in order to circumvent newly imposed restrictions. Under present circumstances, however, it is unclear whether the leadership will continue to push such measures.

The students, who have the support of the workers and the intellectuals, reportedly will meet with trade union officials later this week to coordinate protest activities. Party and government leaders have attempted to head off any further demonstrations by expressing sympathy for Paluch and by meeting student leaders, but these efforts have thus far been unsuccessful. The death of a second student might trigger riots and strikes that could lead to a direct clash between some Czechoslovak demonstrators and the Soviet occupation forces. It was precisely such a situation that the party presidium recently warned could lead to "tragic consequences."

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LAST RECORDED PUBLIC APPEARANCES OF THE CHINESE COMMUNIST ELITE LEADERSHIP

Early October

Last collective appearance (National Day Ceremony)

5 October

Chiang Ching (Madame Mao)

Chang Chun-chiao (Cultural Revolution official)

Yeh Chun (Madame Lin Piao)

Wang Tung-hsing (probably Mao's bodyguard)

6 October

Lin Piao (Defense Minister)

28 November

Mao Tse-tung (Met with Australian Communist leader)

29 November

Yao Wen-yuan (Cultural Revolution official)

30 November

Kang Sheng (Cultural Revolution official)

23 December

Wen Yu-cheng (Peking Garrison commander)

30 December

Chou En-lai (Premier)

Chen Po-ta (Cultural Revolution Group head)

Huang Yung-sheng (Chief of Staff) Wu Fa-hsien (Air Force commander)

2 January

Hsien Fu-chih (Security Minister)

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Communist China: Efforts to reconstruct the battered governing machinery are going forward in an atmosphere of political tension and uncertainty.

A party congress has been tentatively scheduled this spring to form a new central committee, approve a new party constitution, and confirm defense minister Lin Piao as Mao Tse-tung's successor. Intense political struggles are reported to be taking place in advance of the congress both in Peking and many provinces, however, and these could force a postponement.

Adding to the air of uncertainty is the failure of top Chinese Communist leaders to appear together in public since a major party plenum held last October. This failure of the elite to show up during or after the plenum, or to make their customary appearance on New Year's day, gives the impression that political jockeying preceding the ninth party congress may be affecting the position of some national-level leaders.

Rumors are prevalent in Peking about ferment in the leadership. These rumors, consisting mainly of fanciful accounts of disorderly high-level meetings, may have some factual basis in view of their persistence. The fact that they are circulating is a measure of the mounting confusion in the capital.

In the provinces, harsh Maoist social programs have been under way since last October. The regime appears to be tampering again with rural institutions in an attempt to make them more egalitarian, and is engaged in a crash effort to transfer large numbers of urban dwellers to rural areas to share work and hardships with peasants. These measures are provoking considerable public dissatisfaction. The degree to which such utopian social experiments are to be pushed is likely to be one of the more divisive issues confronting the forthcoming party congress. (Chart)





Laos: The military situation is quiet as the Communists prepare for the next round of their dry season offensive.

Only light skirmishing and patrol activity has been reported over the past several days near the Bolovens Plateau, where the heaviest fighting of the two-month-old Communist offensive has taken place. As many as three North Vietnamese battalions are still dug in around Thateng, but the enemy has made no effort to bring additional pressure on the base's tired defenders. Although heavy air strikes and government guerrilla operations are helping to keep the Communists at bay, it may be that the North Vietnamese are not willing to run the risk of another costly all-out assault.

In the north, small numbers of Communist troops have been probing outlying government positions defending the key guerrilla base at Na Khang. The guerrillas have responded by trying to clear the enemy from recently captured positions from which mortar fire has been placed on the base's airstrip. There is no word yet on how this small counteroffensive is progressing, but another spoiling operation has blunted a Communist push against government positions located between Na Khang and the Plaine des Jarres.

Meanwhile, the Pathet Lao mission in Vientiane received some rough treatment over the weekend at the hands of military authorities. Upset over the embarrassing ease with which the Communists blew up an ammunition dump outside the capital last week, Vientiane commander General Kouprasith vented his anger by having a grenade thrown into the Pathet Lao compound and having several Pathet Lao security troops severely beaten.

It is not clear whether Prime Minister Souvanna has sanctioned these activities, although he apparently has formally asked the International

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Control Commission (ICC) to request the withdrawal of the Pathet Lao from Vientiane. It seems likely, however, that cooler heads will eventually prevail and the harassments will be called off. For their part, the Pathet Lao, who have suffered similar abuse in the past, have asked for increased protection from the ICC, but so far give no evidence of wanting to quit the capital.

(Map)

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India: Despite a decline from the record harvest of the crop year 1967-68, India's foodgrain supply probably will be adequate this year.

India's foodgrain production for the crop year ending next June probably will be about 95 million tons, or roughly five million tons less than the record set last year. The increased use of high-yielding seeds, fertilizers and pesticides as well as improved irrigation will offset to a considerable degree the decreased rainfall experienced thus far in this crop year.

The fall crop, normally over two thirds of the total harvest, was only about 64 million tons, down somewhat from the previous year. Growing conditions continue to be unfavorable in many non-irrigated areas in the Punjab, Haryana and Uttar Pradesh for the spring crop, which probably will not exceed 30 million tons unless significantly more rain falls in the next few weeks.

Despite the probable shortfall in this year's crop, both private hoards and official stocks for public distribution are relatively high. Moreover, late last year India concluded an agreement for 2.3 million tons of PL 480 grain, of which 1.6 million tons are still to be delivered.

South Korea: The leading opposition party is seeking to arouse the public against a third term for President Pak Chong-hue.

Opposition leader Yu Chin-o announced on 17 January that his party members would resign their seats in the National Assembly if the government used its two-thirds majority to ram through legislation removing constitutional barriers to Pak's running again in 1971. Yu claimed that only a handful of citizens would support the amendment. He also lashed out at the Pak regime for "top-level corruption" and for a press censorship which he claimed is creating discontent and apprehension in the country.

President Pak has not publicly declared that he will seek a third term, but intense maneuvering by his supporters has convinced many that he intends to run again. In any showdown, the political opposition would almost certainly hope to rally the support of volatile student and intellectual elements which form the hard core of public opposition to the government.

NOTES

Okinawa: A leftist labor confederation is the principal sponsor of a large-scale demonstration planned for 4 February at Kadena Air Base to protest the presence of B-52s on Okinawa. Although the rally, which will highlight a thrice-postponed 24-hour general strike, is intended to be nonviolent, clashes with the police are likely if plans to block access to the base are carried out. The participation of "peace" organizations, including radical students, adds to the chances of disorders. The crash of a B-52 on Okinawa last November generated broad popular support for local campaigns for removal of the bombers.

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Austria: The Soviet Union and several other Communist countries reportedly have urged Austria to follow Sweden's lead in recognizing North Vietnam, claiming that this is a proper course of action for all neutral countries. This advice, according to Austrian Foreign Minister Waldheim, has so far been in a moderate key. He asserted, however, that Austria has no intention of recognizing North Vietnam. There is no indication that the Communists have yet made similar approaches to other European neutrals such as Finland and Switzerland, but both governments have recently disclaimed publicly any intention of recognizing Hanoi.

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Chile: This week the air force will explore with Northrop Aviation a proposal to buy a number of F-5 supersonic jet aircraft. Presumably the F-5s would eventually replace approximately 21 subsonic Hawker Hunters bought from the UK over the past two years. Any such large purchase would put an additional strain on Chile's already tight budget, but military leaders are likely to push for it. They are concerned that Chile is encircled by military and military-backed governments, which have recently purchased modern arms such as Peru's Mirage fighters.

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